STAND. COM. REP. NO. 3382

Honolulu, Hawaii

APR 0 4 2014

RE: H.B. No. 1588

H.D. 2

S.D. 2

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1588, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that the \$850,000 ceiling for the civil service exemption on selected contracts for custodial and grounds maintenance services with qualified community rehabilitations programs shall apply on a per contract basis.

Your Committee received written comments in support of this measure from Ka Lima O Maui. United Public Workers submitted written comments in opposition to the measure.

Your Committee finds that one public sector legal entity in Hawaii has interpreted the \$850,000 ceiling of section 76-77(16), Hawaii Revised Statutes, as applying to all subject contracts while a different public sector legal entity has interpreted the ceiling as applying on a per contract basis. Your Committee finds that this measure will provide the requisite clarification that the statutory ceiling applies on a per contract basis.

Your Committee has amended this measure by:

- (1) Clarifying and improving the readability of the amended civil service exemption for custodial and grounds maintenance services by a qualified community rehabilitation program by recasting the provision as a separate paragraph under section 76-77, Hawaii Revised Statutes; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1588, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1588, H.D. 2, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DAVID Y. IGE, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

| Bill / Resolution No.:* | Committee Referral: | | | Date: | |
|--|---------------------|----------|----------|----------|---------|
| HB 1588 HDZ, SD1 | HMS/JOL, WAM | | | 3-28-14 | |
| The committee is reconsidering its previous decision on this measure. | | | | | |
| If so, then the previous decision was to: | | | | | |
| The Recommendation is: | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused |
| IGE, David Y. (C) | · | ✓ | | | |
| KIDANI, Michelle N. (VC) | | / | | | |
| CHUN OAKLAND, Suzanne | | / | | | |
| DELA CRUZ, Donovan M. | | | | | L |
| ENGLISH, J. Kalani | | | | | |
| ESPERO, Will | | | | | |
| KAHELE, Gilbert | | | | | |
| KEITH-AGARAN, Gilbert S.C. | | | | | |
| KOUCHI, Ronald D. | | | | | |
| RUDERMAN, Russell E. | | / | | | |
| THIELEN, Laura H. | | | | | |
| TOKUDA, Jill N. | | | | | |
| SLOM, Sam | | | | | ļ |
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| Recommendation: Adopted Not Adopted | | | | | |
| Chair's or Designee's Signature: huhlle Aldeni | | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | |

*Only one measure per Record of Votes